

## 5. Small Forest Landowner Office

### 5.1 Introduction

The Small Forest Landowner Office (SFLO) serves as a resource and focal point for small forest landowner concerns and policies. The office has a mission to promote the economic and ecological viability of small forest landowners. The office was created in the 1999 Salmon Recovery Act, when the Forests and Fish rules were passed. The new rules resulted in increased size of riparian buffers and created further measures to protect water quality and restore salmon habitat. The Washington Legislature recognized that the Forests and Fish rules would have a disproportionate economic effect on small, family-owned forests. The Legislature, to help small landowners retain their forestland and not convert the land to another land use, authorized the creation of a SFLO within DNR. This office was directed to assist small landowners and begin assessing ways in which policies could be crafted to support them.

This chapter describes accomplishments, opportunities and challenges with a primary focus on two small forest landowner incentive programs, the Forestry Riparian Easement Program (FREP) and the Family Forest Fish Passage Program (FFFPP). These two programs were developed by the Small Forest Landowner Office (SFLO) and its partners to assist small forest landowners. A third program now administered by the SFLO, which assists both small and large forest landowners, is the Riparian Open Space Program (ROSP). The description of the program can be found in chapter 7 of this report. The Riparian Open Space Program was initially administered by the DNR Asset Management Division because it is a program that not only assists small forest landowners but also large forest landowners. Due to legislative changes in the program, the administration now resides in the Small Forest Landowner Office.

### 5.2 Forestry Riparian Easement Program

Provisions included in the [1999 Salmon Recovery Act](#) established the FREP. The easement program acknowledges the importance of small forest landowners and the contributions they make to protect wildlife habitat and water quality.

The Forest Riparian Easement Program compensates eligible small forest landowners in exchange for a 50-year easement on those lands with “qualifying timber.” Qualifying timber are those trees the landowner is required to leave unharvested as a result of forest practices rules protecting Washington’s aquatic resources. Landowners cannot cut or remove any qualifying timber during the life of the easement period. The landowner still owns the property and retains full access, but has “leased” the trees and their associated riparian function to the state.

Funding for the program has been allocated by the Washington legislature since 2002. However, funding was not made available for fiscal year 2010. Prior to June 2009, Forest Riparian Easement Program applications were processed and purchased in the order received, commensurate with available funding.

The Forest Riparian Easement Program did receive funding for the July 2010 through June 2011 funding period in the amount of one million dollars through the Legislature’s supplemental capital budget appropriation. The budget appropriation requires DNR to prioritize its funding of forest riparian easements for the fiscal year 2011 differently than before (i.e. no longer just in order received). The Legislature, in its appropriation, required DNR to consider eight factors that would elevate the priority<sup>1</sup>, and six more factors that would reduce the priority of certain easement requests<sup>2</sup>. Additionally, DNR is required to work with interested stakeholders to develop

recommendations for changes in the eligibility criteria, prioritization, and policy provisions of the program.

The program recommendations are part of a stakeholder process that will accept public comment in the summer of 2010 and close with recommendations to the Legislature and Office of Financial Management in October 2010. This process could affect the prioritization of FREP funding in future biennia.

<sup>1</sup> These factors will elevate an application's priority, and are ranked in order of importance: (a) the greatest proportion of riparian buffer impacted in the related forest practices application; (b) lands in deferred tax status of classified timber land or classified open space as defined in RCW 28 84.34.020; (c) lands at greatest risk of conversion to other land uses as determined by county zoning and land classifications and proximity to urban growth areas or other areas of concentrated land development; (d) lands that are certified by a forest certification recognized by the department; (e) the applicant has not received a forestry riparian easement since July 1, 2007; (f) the applicant is not a nonprofit organization; (g) the applicant has been waiting three years or more for a forestry easement purchase; and (h) the application does not include any of the conditions specified in subsection (2) of this section. Laws of 2010, 1st Sp. Sess. Ch. 36, § 3041(3).

<sup>2</sup> These factors will reduce an application's priority: (a) The forest management activities for the aggregated ownership of the landowner referenced in the application, his or her spouse, and his or her children exceed the small forest landowner definition in RCW 76.13.120(2)(c); (b) the applicant has had legal ownership for less than five years, except when the applicant is a lineal descendant of a landowner meeting this condition; (c) the applicant has an outstanding violation of the forest practices act under chapter 76.09 RCW; (d) the applicant is in default on a financial obligation to an agency of the state including noncompliance with a child support order under RCW 74.20A.320; (e) the application is for land on which other conservation easements have been executed and recorded on the title; or (f) the land is owned by a nonprofit organization that does not have deferred tax designations of either classified timber land or classified open space as defined in RCW 84.34.020 and does not have a county-recognized forest management plan. Laws of 2010, 1st Sp. Sess. Ch. 36, § 3041(4).

**Department of Natural Resources  
Small Forest Landowner Office  
Forestry Riparian Easement Program  
Capital Budget Summary**

Table 1	<b>FY 2002-2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>Totals</b>
	7/1/01-6/30/05	7/1/05-6/30/06	7/1/06-6/30/07	7/1/07-6/30/08	7/1/08-6/30/09	7/1/9-6/30/10	
<b>Holdovers from Waiting List</b>	121	59	97	114	116	116	
<b>Applied during FY</b>	146	72	57	44	36	7	362
<b>Total Applicants on List in FY</b>	267	131	154	158	152	84	
<b>Easements Purchased</b>	87	34	40	42	75	0	<b>!!6 Is Not In Table</b>
<b>Waiting List</b>	180	97	114	116	77	84	
<b>Amount Appropriated</b>	\$7,750,000	\$8,000,000		\$10,300,000		\$0	\$26,050,000
<b>Amount used for FTE's</b>		\$300,000		\$560,000		\$0	\$860,000
<b>Amount Spent</b>	\$7,097,350	\$3,070,000	\$1,850,000	\$1,497,350	\$2,892,000	\$0	<b>!!10 Is Not In Table</b>
<b>Amount Remaining</b>	\$652,650	0	0	0	\$161,000	\$0	
<b>Average Value of Easement per FY</b>	\$86,654	\$85,059	\$120,200	\$97,119	\$73,333	--	
<b>Cumulative Average Value of Easement</b>	\$120,480	\$82,557	\$91,909	\$92,987	\$89,501	--	
<b>Amount Requested</b>	\$10,000,000	\$13,050,000		\$13,800,000		\$3,500,000	

*Dollar values include all costs associated with easement acquisition*

Table 2 summarizes the number of eligible Family Forest Fish Passage Program applications received for fish barrier sites each year as well as the number of fish barrier sites funded and fixed, and miles opened\*. Not all projects are fixed in the year they are funded.

**Family Forest Fish Passage Program - Summary of Rounds** Updated 07/01/10

	Round 1- Round 4	Round 5	Round 6	Round 7	Round 8	Total All Rounds
<b>Application Period</b>	12/03 - 6/06	7/1/06 - 6/30/07	7/1/07 - 6/30/08	7/1/08 - 6/30/09	7/1/09 - 6/30/10	
<b>Application Year</b>	<b>2003-2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	
<b>Eligible Applications</b>	282	44	60	57	47	490
<b>Eligible Sites</b>	413	54	81	78	56	682
# in Western WA	293	32	69	49	48	491
% in Western WA	71%	59%	85%	63%	86%	72%
# in Eastern WA	119	22	12	29	8	190
% in Eastern WA	29%	41%	15%	37%	12%	29%
<b>Funded Sites</b>	119	33	28	16	36	232
<b>Completed Projects</b>	100	37	29			192
<b>Fixed in</b>		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	
# in Western WA	86	21	25	17		149
% in Western WA	--	57%	86%	65%		78%
# in Eastern WA	14	16	4	9		43
% in Eastern WA	--	43%	14%	35%		22%
<b>Miles Opened Statewide**</b>	265	90	35	55	54	499

\*Great care was taken to ensure the above numbers are as accurate as possible. With new or updated project information, minor differences in reporting from previous years may occur.

\*\*Miles open are calculated from funded projects for the reporting year. In previous reporting years a combination of completed and funded project miles were used. Using only the funded miles as a standard (rather than both completed and funded miles) was found to provide better data consistency, therefore; starting with the 2010 annual report and continuing into the future, miles open are/will be calculated using funded projects only.

### **5.3 Family Forest Fish Passage Program**

The Washington Legislature established the Family Forest Fish Passage Program (RCW 76.13.150) in 2003 because eliminating fish passage barriers can be costly. The FFFPP was developed to provide regulatory and monetary relief for small forest landowners to comply with the Forests and Fish rule requirement for fish passage barriers upgrades. The program is voluntary and allows small landowners to sign up to correct fish passage barriers on their road crossings with assistance from the program. The State provides 75 to 100 percent of funding for the barrier correction. The program continues to be a success and has been recognized as a model for interagency cooperation and for assisting landowners. More information can be found at the [FFFPP website](#).

In general, the 2003 bill required that:

- Washington State create a cost-share program that would provide 75-100 percent of the cost of correcting small forest landowners' fish barriers.
- Barriers be prioritized and repaired on a "worst-first" basis.
- Once a year, projects submitted to the program be prioritized, and fish barrier corrections providing the greatest benefit to public resources be funded. Lower priority projects remain in the program to be funded once they become higher priority and money is available.
- By signing up for the program, a landowner is relieved of any forest practices obligation to fix a fish passage barrier until the state determines the barrier is a high priority and funding is made available to complete the project.

Three state agencies and a stakeholder group cooperate to manage and fund the program:

- DNR's Small Forest Landowner Office is the main point of contact for program information, assisting landowners, providing outreach and coordinating additional funding sources.
- Washington Department of Fish and Wildlife (WDFW) is responsible for evaluating the barrier, habitat quality of the stream, and ranking barriers for correction.
- The Recreation and Conservation Office (RCO) administers program funding and provides information on program contracts, billing and reimbursement.
- Washington Farm Forestry Association (WFFA) represents the small forest landowner community on the steering committee; providing program oversight and assisting with project approval.

#### **WDFW Ranking of Fish Passage Barriers for Family Forest Fish Passage Program**

Family Forest Fish Passage Legislation (RCW 77.12.755) directs repair of worst barriers first starting with barriers lowest in the watersheds. To identify and prioritize the worst barriers, WDFW rates the barriers enrolled in the FFFPP on the following criteria:

- Number of fish species benefiting
- Amount and quality of habitat opened
- Degree of fish barrier
- Number and location of other barriers and the degree of those barriers

Additional prioritization considerations:

- Concurrence from Lead Entity Watershed groups (groups that take the lead on salmon habitat recovery plans in the watershed)
- Cost effectiveness

For prioritization work, information is obtained from;

1. WDFW field biologists to determine the amount of habitat upstream of the barrier with gradients less than 20 percent,
2. Foresters or tribal biologists and contractors who walk the streams and evaluate barriers and habitat quality,
3. The existing WDFW Fish Passage Barrier Inventory, and
4. Regional fish enhancement groups, conservation districts and Lead Entity Groups.

Projects are scored to provide an initial list that is evaluated by the three state agencies; DNR, Recreation and Conservation Office, and Washington Department of Fish and Wildlife. This information along with project cost estimates are provided to the Family Forest Fish Passage Program Steering Committee for final funding decisions.

Information on the fish passage barriers obtained from site visits is placed in the WDFW Fish Passage Barrier Inventory. The inventory includes those stream crossings that have been identified through Washington State Department of Transportation inventories, local government inventories, barriers identified in FFFPP stream surveys, and local inventories funded by the Salmon Recovery Funding Board.

### **Program Challenges and Opportunities**

Data gaps regarding the number and location of barriers is the biggest program challenge, particularly when determining future funding needs. DNR and cooperating partners continue to pursue funding for inventory related work. Small forest landowners who have not harvested may not be aware of what a fish passage barrier is or that there is a cost share program available to assist in the correction. These barriers may not be recognized until the landowner submits a forest practices application, which will then address any fish passage barrier issues in the application area.

A program opportunity is the potential to promote and seek financial resources for Family Forest Fish Passage Program by linking the program to mitigation for climate change impacts to salmonids in the Pacific Northwest. Impacts from climate change in the Pacific Northwest will include higher temperatures and increased precipitation in the winter months and higher temperatures and lower precipitation in the summer months.

Climatic change will also increase disease vulnerability, competition and life cycle changes to Northwest salmon. The anticipated higher winter time flows and lower summer flow levels will present many challenges to fish moving upstream for spawning and rearing. The Program supplies mitigation for climate change related impacts by establishing fish passable structures allowing for fish migration in summer time low flow periods and hydraulic relief in winter high flow periods. Programs that benefit ecosystems and help small landowners with their financial burdens will increase the likelihood that working forests will be maintained across the landscape.

## Outreach

For Round 8, 47 eligible applications were received on 56 sites marking a decrease in applications from Round 7 (see Table 2 - Family Forest Fish Passage Program Summary of Rounds).

The Recreation and Conservation Office, DNR, and Washington Department of Fish and Wildlife fish passage team had seven outreach goals for the 2009-2010 reporting period. A summary of the goals and outcomes is below (Table 3). Additionally, two press releases, two blog spots and a radio spot were completed during the reporting period.

To better meet small landowner needs an online survey was conducted during the winter of 2009. As a result of the survey the Small Forest Landowner Office website was updated during FY 2010 with Legislative information, resources for landowners, and contacts to partners. This has doubled web traffic to all Small Forest Landowner Office websites including the Family Forest Fish Passage Program compared to the previous year. The electronic newsletter subscriptions have increased by 40% from the previous year.

For 2010-2011, the Fish Passage Team will continue collaboration with watershed lead entity groups, regional fish enhancement groups, Farm Forestry groups, Tribes, conservation districts and county extension offices with information on the program. This information is often included in collaborator groups' web pages, newsletters, and press releases and at public forums.

Table 3	
<u>Goals for reporting period</u>	<u>Outcomes for reporting period</u>
<ol style="list-style-type: none"> <li>1.) Presentations to groups around the state.</li> <li>2.) Follow-up on watershed based mailers targeting small forest landowners in areas of low applications informing of the opportunity for funds for culvert replacement.</li> <li>3.) Distribution of program brochures and materials, <i>Family Forest Fish Passage Program</i>.</li> <li>4.) Program report mailed to WDFW and DNR staff who work with forest landowners.</li> <li>5.) Targeted mailings to landowners with known barriers in nine counties via a brochure, <i>Do you have roads with stream crossings on your forestland?</i></li> <li>6.) FFFPP presentations at Washington Farm Forestry Association meetings.</li> </ol>	<ol style="list-style-type: none"> <li>1.) Nine group presentations were completed statewide to watershed groups, non-profits and governmental organizations.</li> <li>2.) Direct mailing was completed to 250 small forest landowners known to have fish barriers on their land.</li> <li>3.) 1000 programmatic brochures were distributed statewide to landowner, cooperators and various groups.</li> <li>4.) Programmatic information was delivered to WDFW and DNR field staff including information based from their recommendations.</li> <li>5.) Targeted mailings were completed to 250 landowners with known fish barriers on their land.</li> <li>6.) FFFPP presentations completed at 3 local chap meetings &amp; statewide annual conference.</li> </ol>

7.) FFFPP stations at Family Forest Field Days.	7.) FFFPP stations and information was made available at four Family Forest Field Days with approximately 200 landowners in attendance at each event - 800 total landowners for all events.
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The outreach goals for 2010-2011 include;

**Table 4**

**Outreach Goals for next reporting period**

- 1.) Continue to increase use of social media (twitter, facebook, YouTube) to inform the public on the program and the resources offered by the SFLO.
- 2.) Complete and submit the 2010 FFFPP Legislative Report.
- 3.) Continue to foster collaboration of programs with local governments, federal agencies, tribes, and other groups.
- 4.) FFFPP stations at Family Forest Field Days.
- 5.) Develop new FFFPP media material for use in WADNR 101 information. Information will be printed for use in all WADNR events.
- 6.) Update and print new FFFPP posters for media and public events.
- 7.) Continue to increase web and newsletter readership. Success will be evaluated from tracking numbers based off a comparison of the reporting years.

### **Coordination with Watershed Groups**

Coordination with watershed lead entity groups is part of the Family Forest Fish Passage Program. These groups are contacted once a year and given information on the projects that have been determined as “Potential High Priority”. For most watershed lead entity groups, the Program is a complement to their projects. The Program’s projects are not in the same footprint as lead entity group projects which are mostly low in each watershed on lands not owned by small forest landowners.

### **Cost Analysis**

Average cost per project has many variables that do not facilitate similar reporting standards from year to year. The variation in engineering time, type of structure, and equipment and material cost all create large amounts of project and yearly variability. Although important, monetary expenditures do not represent the true success of the program. Hence average cost are not reported, rather number of sites, landowners served, and miles of habitat reconnected are the key indicators of success.

## **5.4 Small Forest Landowner Office Reports**

The Small Forest Landowner Office will work with interested stakeholders to develop recommendations for changes in the eligibility criteria, prioritization, and policy provisions of the Forest Riparian Easement Program. Recommendations will be provided to the Legislature and Office of Financial Management in October, 2010.

The 2010 Family Forest Fish Passage Program Implementation Report will be produced during the summer of 2010. The report serves as a Legislative accomplishments report and as a marketing tool to attract new landowners to apply for the program. The report is produced in concert with RCO and WDFW and will be located at the [FFFPP website](#).